REMARKS

In response to the rejection under 35 USC 112, second paragraph with respect to the formula recited in claims 1 and 11 and the formula recites in claims 2 and 12, Applicant disagrees with the examiner's rejection that the formulas in claims 1, 11 and 2,12 contradict each other.

Claim 1 states that the score is calculated by combining the weighted average of scores of the historical contractor variables. The combination of the weighted averages is NOT an average as alleged by the examiner. It is simply a number of weighted averages (which are just values) which are combined together to arrive at a score which has a value.

Claim 2 states the formula for calculating the score is $\varepsilon(Ai) / \varepsilon(Mi) * 100$ where Ai=Assigned score on historical contractor variable i; Mi = maximum score on historical contractor variable i and ε is a summation symbol. The value $\varepsilon (Ai) / \varepsilon(Mi)$ is in fact a weighted average of all of the contractor variables. The multiplication of that number results in a bigger number which has a value. However, the formula in claim 2 is NOT a percentage, but simply a score with a value based on weighted averages. The formula in claims 2 and 12 is just a more specific recitation of the score.

Thus, the formulas in claims 1 and 11 is entirely consistent with the formula in claims 2 and 12 and the rejection under 35 USC 112, second paragraph should be withdrawn.

PRIOR ART REJECTIONS

In response to the examiner's rejection of claims 1 and 11 as being unpatentable under 35 USC 103 over WO 02/23443 to Flynn ("Flynn"), the rejection of claims 2-4 and 12-14 as being unpatentable under 35 USC 103 Flynn in view of US Patent No. 7,359,865 to Connor et al. ("Connor"), the rejection of claims 5-6, 8, 15-16 and 18 as being obvious over Flynn and Connor in view of US Patent Application Publication No. 2003/0105689 to Chandak et al. ("Chandak"), the rejection of claims 7 and 17 as being obvious over Flynn, Connor and Chandak and further in view of US Patent Application Publication No. 2003/0225651 to Chen ("Chen"), the rejection of claims 9 and 19 as being obvious over Flynn in view of US Patent No. 6,513,019 to Lewis ("Lewis") and the rejection of claims 10 and 20-23 as being obvious over Flynn in view of US Patent Application Publication No. 2004/0054553 to Zizzamia et al. ("Zizzamia"), Applicant traverses the rejections

because, as set forth below, each claim element is not disclosed in Flynn or the combination of Flynn and the other prior art (Connor, Chandak, Chen, Lewis and/or Zizzamia) and therefore Flynn and the other prior art does not render the claims obvious because the examiner has not establishes a prima facie case of obviousness for the reasons set forth below.

Flynn

Flynn discloses a method and apparatus for producing reduced risk loans (See Title) for a construction loan or trade loan. *See Flynn at pg. 11, lines 3-6.* To determine the risk of the loan, the system gleans data from the loan application and a financial & property/project questionnaire and stores the information in character (Loan Applicant's reputation), financial (Loan Applicant's past and current financial data), property (real estate information used for construction loans), legal (contractual terms) and project risk assessment files (for a trade loan request.) *See Flynn at pg. 12, lines 7-18.* The Flynn system uses the above information in the risk assessment files to evaluate whether or not to give the particular contractor a construction loan or a trade loan. *See Flynn at pg. 13, lines 5-6.*

Claims 1 and 11

These claims were rejected as being unpatentable over Flynn. However, the examiner has not established a prima facie case of obviousness because each claim element is not disclosed Flynn for at least two reasons set forth below.

Claim 1

Claim Elements are Missing From the Prior Art

Applicant incorporates the prior arguments made to the examiner in response to the Final office action, but does not repeat them herein to clarity. Based on these arguments, several claim elements of claim 1 are not found in Flynn.

Once again, the examiner has admitted that at least one element "historical contractor variables including one or more contractor structure variables, one or more size of contractor business variables, one or more contractor stability variables, one or more contractor engagement variables and one or more contractor performance variables" is not explicitly disclosed in Flynn. *See Final Office action at pg. 4.*

In addition, claim 1 now recites "said program extracts data from one or more external database and collects historical contractor variables from the extracted external database data" which is not disclosed by Flynn. Flynn gathers data from the loan application and a financial & property/project questionnaire which are not external databases.

Thus, several claim elements are not disclosed by Flynn.

Improper Reliance on Common Knowledge Under MPEP 2144.03

In the office action mailed on October 28, 2009, the examiner states:

> Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time the invention was made to consider variables such as the type and size of the business (i.e. structure and size), how long the business has been in operation (i.e. stability), the past performance of the business on other projects, and the type of projects the business are engaged in when performing a loan analysis in order to aid in determining whether the business will be able to repay the loan.

See Final Office action at p. 4.

In the Final Office action, the examiner adds a note that "the type of historical variables hold little patentable weight..." *See Final Office action at p. 4.*

However, it still appears that the examiner is relying on common knowledge under MPEP 2144.03 and thus the examiner is improperly relying on common knowledge for at least two reasons.

First, "It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known." *See MPEP 2144.03.A.* Thus, under MPEP 2144.03.C, Applicant traverses the assertion of common knowledge and requests that the examiner provides adequate evidence of the assertion above because the conclusion above (that one would consider certain variables when performing a loan analysis in order to aid in determining whether the business will be able to repay the loan) has nothing to do with the

claimed "contactor risk assessment score [that] is predictive of whether a contractor is able to complete a construction job on time and on budget" and the alleged common knowledge does not address all of the claim features. Therefore, Applicant requests that the examiner provides adequate evidence of the assertion above.

Second, even assuming that the knowledge above was known (which it is not), the knowledge about variables such as type and size of business, stability of the business, etc. to aid in determining whether a business will be able to repay a loan is not probative to the claim element of "said program collects historical contractor variables including one or more contractor structure variables, one or more size of contractor business variables, one or more contractor stability variables, one or more contractor engagement variables and one or more contractor performance variables, generates a score associated with each historical contractor variable and comprises a formula that generates contactor risk assessment score calculated by combining the weighted average of scores of the historical contractor variables wherein the contactor risk assessment score is predictive of whether a contractor is able to complete a construction job on time and on budget."

Thus, the examiner is improperly relied on common knowledge pursuant to MPEP 2144.

Thus, the examiner has not established a prima facie case of obviousness and the rejection of claim 1 should be withdrawn.

Claim 11

Claim Elements are Missing From the Prior Art

Applicant incorporates the prior arguments made to the examiner in response to the Final office action, but does not repeat them herein to clarity. Based on these arguments, several claim elements of claim 11 are not found in Flynn.

In addition, the examiner has admitted that at least one element "historical contractor variables including one or more contractor structure variables, one or more size of contractor business variables, one or more contractor stability variables, one or more contractor engagement variables and one or more contractor performance variables" is not explicitly disclosed in Flynn. *See Office action at pg. 4.*

In addition, claim 11 now recites "extracting data from one or more external database and collecting historical contractor variables based the extracted external database data" which is not disclosed by Flynn. Flynn gathers data from the loan application and a financial & property/project questionnaire which are not external databases.

Thus, several claim elements are not disclosed by Flynn.

Improper Reliance on Common Knowledge Under MPEP 2144.03

In the office action mailed on March 24, 2009, the examiner states:

> Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time the invention was made to consider variables such as the type and size of the business (i.e. structure and size), how long the business has been in operation (i.e. stability), the past performance of the business on other projects, and the type of projects the business are engaged in when performing a loan analysis in order to aid in determining whether the business will be able to repay the loan.

See Office action at pp. 4-5.

In the Final Office action, the examiner adds a note that "the type of historical variables hold little patentable weight..." *See Final Office action at p. 4.*

However, it still appears that the examiner is relying on common knowledge under MPEP 2144.03 and thus the examiner is improperly relying on common knowledge for at least two reasons.

First, "It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known." *See MPEP 2144.03.A.* Thus, under MPEP 2144.03.C, Applicant traverses the assertion of common knowledge and requests that the examiner provides adequate evidence of the assertion above because the conclusion above (that one would consider certain variables when performing a loan analysis in order to aid in determining whether the business will be able to repay the loan) has nothing to do with the

claimed "generating a contactor risk assessment score calculated by combining the weighted average of scores of the historical contractor variables wherein the contactor risk assessment score is predictive of whether a contractor is able to complete a construction job on time and on budget" and the alleged common knowledge does not address all of the claim features. Therefore, Applicant requests that the examiner provides adequate evidence of the assertion above.

Second, even assuming that the knowledge above was known (which it is not), the knowledge about variables such as type and size of business, stability of the business, etc. to aid in determining whether a business will be able to repay a loan is not probative to the claim element of "generating a contactor risk assessment score calculated by combining the weighted average of scores of the historical contractor variables wherein the contactor risk assessment score is predictive of whether a contractor is able to complete a construction job on time and on budget."

Thus, the examiner is improperly relied on common knowledge pursuant to MPEP 2144.

Thus, the examiner has not established a prima facie case of obviousness and the rejection of claim 11 should be withdrawn.

Claims 2-4 and 12-14

These claims have been rejected as being obvious over Flynn and Connor. These claims depend from claims 1 and 11 and are not obvious over Flynn and Connor for at least the same reasons as set forth above for claims 1 and 11 and Connor does not cure the lack of disclosure of Flynn.

In addition, for claims 2 and 12, the examiner relies on Connor as disclosing the claimed formula. While Connor does disclose a risk factor category scorecard as shown in Figure 4 and may also disclose calculating a risk factor based on a number of category actual scores divided by a maximum category score (*See Connor at Figure 4 and col. 15, lines 14-50*), it does not disclose "wherein the formula is CRAS = [ε(Ai) / ε(Mi) * 100] where Ai=Assigned score on historical contractor variable i; Mi = maximum score on historical contractor variable i and ε is a summation symbol that uses the claimed historical contractor variables. Thus, Flynn and

Connor, alone or in combination, do not disclose this claim and the rejection should be withdrawn.

Claims 5-6, 8, 15-16 and 18

The examiner has rejected these claims as being obvious over Flynn in view of Chandak. Pursuant to MPEP § 2143, to establish a *prima facie* case of obviousness, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings, and the prior art reference must teach or suggest all the claim limitations. *See M.P.E.P. § 2143.* Also, the teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

For these claims, because Flynn does not disclose certain claim elements of the independent claims as set forth above from which these claims depend, the combination of Flynn and Chandak do not teach or suggest each claim element because Chandak does not cure the disclosure deficiencies of Flynn and therefore the examiner has not established a prima facie case of obviousness and the rejection must be withdrawn.

Claims 7 and 17

The examiner has rejected these claims as being obvious over Flynn and Chandak and further in view Chen. However, because Flynn does not disclose certain claim elements of the independent claims from which these claims depend, the combination of Flynn, Chandak and Chen do not teach or suggest each claim element because Chandak and Chen do not cure the disclosure deficiencies of Flynn and therefore the examiner has not established a prima facie case of obviousness and the rejection must be withdrawn.

Claims 10 and 20-23

The examiner has rejected these claims as being obvious over Flynn in view of Zizzamia. However, because Flynn does not disclose certain claim elements of the independent claims from which these claims depend, the combination of Flynn and Zizzamia do not teach or suggest each claim element because Zimmamia does not cure the disclosure deficiencies of Flynn and therefore

the examiner has not established a prima facie case of obviousness and the rejection must be withdrawn.

CONCLUSION

In view of the above, it is respectfully submitted that Claims 1-23 are allowable over the prior art cited by the Examiner and early allowance of these claims and the application is respectfully requested.

The Examiner is invited to call Applicant's attorney at the number below in order to speed the prosecution of this application.

The Commissioner is authorized to charge any deficiencies in fees and credit any overpayment of fees to Deposit Account No. 07-1896.

Respectfully submitted,

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Dated: January 28, 2010

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